

EXHIBIT

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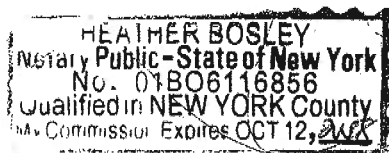
I, Eric Brown, hereby certify that the following is, to the best of my knowledge and belief, a true and accurate translation of the attached document "LOAN APPLICATION ; ERSTEBANK", from Croation to English.

Eric Brown

Sworn to before me this

30th day of August, 2007

Signature, Notary Public



Stamp, Notary Public



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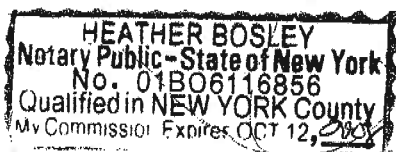
City of New York, State of New York, County of New York

I, Eric Brown, hereby certify that the following is, to the best of my knowledge and belief, a true and accurate translation of the attached document "LOAN APPLICATION VIA COMMERCIAL BANK, HBOR", from Croation to English.

Eric Brown

Sworn to before me this
30th day of August, 2007

Signature, Notary Public



Stamp, Notary Public

ERSTE_{BANK}

ERSTE & STEIERMÄRKISCHE BANK D.D.
Corporate Division
Ulica grada Vukovara 41, Zagreb
Tel.: 062 37 1000 Fax: 062 37 2000

APPLICATION

APPLICANT'S DATA

(Date of receipt of the application)

(Financial representative)

1. Company name: ECOCORTEC d.o.o.¹; Address: SLAVONSKA 1, OSIJEK;
2. Phone: 031 540002; Fax: 031 540018; E-mail: DINCO@ECOCORTEC.HR;
3. Industry code according to NKD ("National Industry Classification"): 25220;
Identification Number: 1891782
4. Giro account with Erste & Steiermärkische Bank d.d.²:

- in other banks: a) ZAGREBACKA Bank: (***note of the translator: illegible***)
b) VOLKSBANKA Bank: (***note of the translator: illegible***)
c) _____ Bank: _____
5. Number of employees: 0; Auditors: _____
6. Year of incorporation and development: 2004
7. Principle activity, main products and services: PRODUCTION OF PLASTIC PRODUCTS, TRADE
8. Contact person for business activities with the bank: DINKO BUKVIĆ – BULJUBAŠIĆ
9. Person responsible for finance/accounting: DINKO BUKVIĆ – BULJUBAŠIĆ
10. Registered share capital (in HRK): 20,000 paid in cash: HRK 20,000
11. Members of the Management Board/Management:

Name and Surname	Position
<u>STJEPAN BULJUBAŠIĆ</u>	<u>MEMBER OF THE MANAGEMENT BOARD-DIRECTOR</u>
<u>BORIS MIKŠI</u>	<u>MEMBER OF THE MANAGEMENT BOARD</u>
<u>NEVENKA BULJUBAŠIĆ</u>	<u>MEMBER OF THE MANAGEMENT BOARD</u>

¹ d.o.o. – Ltd.

² d.d. – JSC

12. Shareholders/partners: Name and surname/company % stake amount in HRK

(stakes higher than 9,9%) BORIS MIKŠIĆ 100 20,000

_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Stakes in other companies (affiliated entities):

Company stake amount in HRK

_____	_____	_____
_____	_____	_____
_____	_____	_____

14. APPLICATION FOR: INVESTMENT LOAN

(Please state one product from the attached list)

15. REQUESTED AMOUNT: _____; MATURITY DATE: _____;

16. Grace period: YES –NO Duration of the grace period: 1 YEAR

(***note of the translator: "YES" circled by hand***)

(***note of the interpreter: all underlined text in this document entered by hand***)

HBOR

Croatian Bank for Reconstruction and Development

A credit financing program for the development of economic activities

Date of receipt by HBOR and
HBOR's File No.:

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LOAN APPLICATION VIA COMMERCIAL BANK

Commercial bank ERSTE & STEIERMÄRKISCHE BANK D.D.	The requested loan amount in EUR
Identification Number: 3337367	EUR 3,000,000.00
Street and house number : JADRANSKI TRG 3A	
Postal code and city: 51000 RIJEKA	
Contact person: JASENKA JERKOVIC	
Phone: 062 37 4114	<u>Three million Euros</u>
Fax: 062 37 4521	
E-mail: jjerkovic@erstebank.com	<u>(in words)</u>
Agreement on business cooperation	

TO BE COMPLETED BY THE END USER

1. END USER'S DETAILS

Name of the end user: ECOCORTEC d.o.o.¹ OSIJEK	
Street and house number: SLAVONSKA 1	Year of incorporation: 2004
Postal code and city: 31000 OSIJEK	Identification number: 01891782

¹ D.o.o. – Ltd.

County of the end user: THE COUNTY OF OSIJEK AND BARANJA	Object of business: production of plastic packaging
Legal form of the organization: A LIMITED LIABILITY COMPANY	
Size: START-UP	Industry number (National Industry Classification): 25220
Contact person: DINKO BUKVIĆ	Phone: 031/540-002
E-mail: <i>(***note of the translator: illegible***)</i>	Fax:

SHARE CAPITAL (in accordance with the excerpt from the court register as of December 15, 2004). HRK 20,000 (in HRK)

Members of the Management Board	Name and surname	Qualifications	Age/Year	Working experience/ interval - years
	Stjepan Buljubašić		1952	
	Boris Mikšić		1948	M.S. in chemistry
	Nevenka Buljubašić		1951	
Members of the Supervisory Board				

TYPE OF OWNERSHIP (please circle):

- a) public
- b) state
- c) private *(***note of the translator: the word "private" highlighted***)*

End user's ownership structure on December 15, 2004

Founders	Stake in cash/rights/ kind	Number of shares	Stake in %
Boris Mikšić	HRK 20,000.00		100%
Total			

Affiliated entities of

Company name	Stakes	Number of shares	Stake in %
Cortec & CO, MN, USA			100%

End user's accounts:

Name of the bank	Account number
ERSTE & STEIERMÄRKISCHE BANK D.D.	2402006 - 1100454053

*(please state the principle account in the first line and then other accounts)

Employees	Currently employed on	Planned*
Permanent employees	2	45
Seasonal workers		
Total		

*(in the column "Planned", please enter data on the changes in the number of employees as a result of the investment being financed by a loan)
(mark with an X)

Exporter (an entity that, in the previous business year, achieved at least 30% of its revenue through direct export, export via mediator, or that in the same minimum percentage realizes revenue from overnight stays of foreign guests):

☐

Area of state's special care (in accordance with the Official Gazette 138/02 and 26/03):

X

Direct war damage (in accordance with the Resolution of County Commission for recording and evaluation of war damage):

☐

Looking after refugees and displaced persons:

☐

Agriculture:

☐
2. SHORT BUSINESS DESCRIPTION

Description of the business and principle product or service:

EcoCortec d.o.o.² was incorporated in 2004, and its principle activity is production and trade. The company has been registered for undertaking the following activities: production of plastic and rubber products, road transport of goods and commercial mediation, and representation of foreign companies. The company is the investor of the project "Construction and equipping of a production plant" in business area II in Beli Manastir. The company's principle activity is the production of polyethylene foils and biodegradable foils, which has been an activity for a number of years in the company of one of the investors, CORTEC Corporation from St. Paul, Minnesota, USA. The investor shall, in addition to the long-term agreement on licensed manufacture in Croatia, start the production and distribution of licensed and patented products of the company CORTEC & Co., with the purpose of supplying the constantly expanding European market.

The history of the company:

EcoCortec d.o.o.³ was incorporated in 2004, with the registered office in Osijek, by Mr. Mikšić Boris, who is also the 100% owner. President of the Management Board is Mr. Buljubašić Stjepan and Members of the Management Board are also Mr. Mikšić Boris and Mrs. Buljubašić Nevenka. Mr. Mikšić Boris also owns 100% of the company CORTEC & CO., MN, USA. EcoCortec d.o.o. is the investor in construction and equipping of a production plant in Beli Manastir's business area II. The

² d.o.o. - JSC

³ d.o.o. - JSC

company currently employs 2 employees, and the plan is to employ 45 employees, most of whom are to come from the area of state's special care. The company Cortec & Co., USA acts as the guarantor for the respective loan of the company EcoCortec d.o.o. Cortec & Co., USA, incorporated in 1977 in St. Paul, Minnesota, USA. It currently employs 148 employees at 4 production plants and is continuously expanding its market share from year to year with developing new products, which makes it the market leader in offering specialized products in the area of corrosion protection. In 2004 Cortec & Co. recorded an increase of 27% in the sales of its products in Europe and currently has 18 distributors of its products in different European countries. The research and development of products and the production of the raw material base is being done at the central plant in St. Paul, the state of Minnesota. Products and semi-finished goods are being distributed from the USA's central warehouse for the European market, distributors and buyers.

Description of the supply and sale market and capacities: (suppliers, buyers, competition...)

Buyers - Ecocortec d.o.o.'s main buyers are its main distributors (distribution network of Cortec & Co. in Europe), who resells the products to the end users, such as: NOKIA, MORH ("Ministry of Defense of the Republic of Croatia"), Đuro Đakovic, ZET, INA, Mercedes Benz, Renault, Volkswagen, Dacia, Motorola, Eurodisney... And that means that their products are being used in the electrical, engineering, agriculture, food processing and automobile industries.

Suppliers - Main suppliers can be grouped in 4 main groups based on the raw materials used in production: 1. low-density polyethylene (45% of raw materials) - DIOKI, Croatia, 2. high-density polyethylene and linear polyethylene - HUNSTMANN, Germany, 3. MASTERBATCH = the patented part of the production (anticorrosive and biodegradable), whose sole owner is Cortec & Co., which makes their production special and unique, and of which there are 15 different types, depending on the type of the industry where it is being applied Cortec & Co., USA, 4. ordinary biodegradable materials - BASF, Germany and CARGYL, USA.

When putting the plant Ecocortec in Beli Manastir in operation, the production of Ecocortec would remain at the same level, meaning its production would not decrease, as there are companies in Europe licensed for production of Cortec products. If this happened, Cortec would cease the licensed production and would supply their markets by itself.

Economic/ecological environment:

The economic environment is extremely favorable, considering that the market and sale risk is very low, as Ecocortec will be producing the same products as the guarantor Cortec & Co. for the already formed market of their products. The production and distribution of licensed products is organized throughout the world via organizational units in North America, 14 European countries and 7 Asian countries. The European market had the highest sales increase in 2004 - when the rate of growth was 27% with a further rising trend, the market was secured - Ecocortec will be oriented to the European market. In 2005, the sale in the European market increased by 37%.

The main production policy of Ecocortec d.o.o. and Cortec & Co. is to produce recyclable products that do not endanger the natural environment in any way. In line therewith, Cortec & Co. continues to invest a lot in production technologies that will produce useful, environmentally unharmed and safe products.

Company's development strategy:

The company Ecocortec plans to build a new production plant for the production of biodegradable foils in Beli Manastir. The construction of a plant has already begun using investor's own funds. The initial phase of production is expected in September 2006, and the plan is to employ 45 employees. The plant is being constructed on land encompassing 1,700 m², with 4 silos with the production capacity of 5000t biodegradable plastic foils to be exported throughout Europe. Ecocortec shall produce biodegradable foils and bags in accordance with buyers' orders. The plant is situated in the business area of Beli Manastir, which is expected to be the future Croatian customs-free zone, which will free the investor of the duty to pay customs and taxes on all imported goods, machines, raw materials and other material. Furthermore, the zone beneficiary who built or participated in building the zone's infrastructure in the amount greater than HRK 1,000,000.00 will not be obliged to pay profit tax during the first 5 business years, which of course applies to Ecocortec as well.

3. SPECIFICATION OF TOTAL LIABILITIES on December 31, 2005 (including the existing obligations towards HBOR) in HRK

LONG – TERM LIABILITIES	0
I. Bank loans:	0
II. Suppliers:	0
III. Other:	0
SHORT – TERM LIABILITIES	0
I. Bank loans:	0
II. Other loans	0
III. Suppliers:	0
IV. Liabilities towards the employees:	0
V. Taxes, duties and other fees:	0
VI. Other:	0
Total liabilities:	0

**(please enter liabilities as close as possible to the date of the application)*

Ecocortec d.o.o. is a start-up company and has not started to operate yet; as a result, it does not have any financial indicators.

Did HBOR already grant a loan to the end user? yes ☐ no ☒

4. INVESTMENT

Investment details:

Name of the investment: CONSTRUCTION AND EQUIPPING OF THE COMPANY'S PRODUCTION PLANT

Location: Beli Manastir County: of Osijek and Baranja

LEGALITY OF CONSTRUCTION

(please mark the obtained items with an "x")

<i>Conceptual design</i>	<i>x</i>
<i>Site permit</i>	<i>x</i>
<i>General design</i>	<i>x</i>
<i>Building permit</i>	<i>x</i>

Description of the investment: (in short, in a few sentences please describe the type of investment, beginning and planned completion):

EcoCortec d.o.o. was incorporated in 2004, and its principle activity is production and trade. The company has been registered for undertaking the following activities: production of plastic and rubber products, road transport of goods and commercial mediation, and representation of foreign companies. The company is the investor of the project "Construction and equipping of a production plant" in business area II in Beli Manastir. The company's principle activity is production of polyethylene foils and biodegradable foils, which has been a year-long activity for the company of one of the investors, CORTEC Corporation from St. Paul, Minnesota, USA. The investor shall, in addition to the long-term agreement on licensed manufacture in Croatia, start production and distribution of licensed and patented products of the company CORTEC & Co., with the purpose of supplying the constantly expanding European market. The company, for the time being, employs 2 employees; the plan is to employ 45 employees, most of whom are to come from the area of the state's special care. The company Cortec & Co., USA appears as the guarantor for the respective loan of the company

EcoCortec d.o.o. Cortec & Co., USA, which was incorporated in 1977 in St. Paul, Minnesota, USA. It currently employs 148 employees at 4 production plants and is continuously expanding its market share from year to year by developing new products, which makes it the market leader in offering specialized products in the area of corrosion protection. The company Ecocortec plans to build a new production plant for the production of biodegradable foils in Beli Manastir. The construction of a plant has already begun using investors' own funds. The initial phase of the production is expected in September 2006, and the plan is to employ 45 employees. The plant is being constructed on land encompassing 1,700 m², with 4 silos with production capacity of 5000t biodegradable plastic foils to be exported throughout Europe. Ecocortec shall produce biodegradable foils and bags in accordance with buyers' orders. The construction of the plant has already begun and the completion is planned for August 2006, in order to be able to start production in September 2006. The company has already progressed far in starting to implement the investment, and thus far has invested EUR 797,896 by the investor and the city of Beli Manastir. The construction of the plant is in full force.

Investment structure/Financing sources	Own funds	Other sources	HBOR	Total
<i>Capital assets</i>				
INVESTMENTS DURING INCORPORATION*	<u>EUR 141,348</u>	<u>0</u>	<u>EUR 30,000</u>	<u>EUR 171,348</u>
LAND*	<u>0</u>	<u>EUR 78,688</u>	<u>0</u>	<u>EUR 78,688</u>
BUILDINGS*	<u>EUR 440,000</u>	<u>EUR 459,585</u>	<u>EUR 762,908</u>	<u>EUR 1,662,493</u>
EQUIPMENT AND DEVICES*	<u>0</u>	<u>0</u>	<u>EUR 1,840,000</u>	<u>EUR 1,840,000</u>
<i>Working capital*</i>	<u>0</u>	<u>0</u>	<u>EUR 366,483</u>	<u>EUR 366,483</u>
TOTAL INVESTMENT	<u>EUR 581,348</u>	<u>EUR 538,273</u>	<u>EUR 2,999,391</u>	<u>EUR 4,119,012</u>

**It is necessary to describe what is being financed by which funds*

*Note: HBOR shall accept the return of the funds for payments already made as an exception, and only if it was familiarized therewith prior to granting the loan, within the request for granting the loan, or if the payments were made after the beneficiary filed the request for granting the loan with HBOR; the same should be marked as***

Other sources of financing:

Source	Amount	Interest	Repayment period including grace period	Grace period
The city of Beli Manastir	EUR 581,348			

NOTE: The city of Beli Manastir participates in the investment with land, installations and infrastructure (water, electrification, sewage system, access roads, gas supply), utility costs related to the roads, the costs of connection to the water pipeline, sewage system, and electricity supply (1,000 KW) high voltage, in order to encourage the investment in the city's business area.

We hereby confirm that the data stated in this loan application are true and complete.

STJEPAN BULJUBAŠIĆ, President of the
Management Board

(Name, surname and position of the person
authorized for representation)

OSIJEK, March 3, 2006
*illegible****)

(***Note of the translator: signature

(stamp and signature)

(***Note of the translator: stamped with the
stamp: ECOCORTEC d.o.o. for production and
trade Slavenska 1, 31000 Osijek***)

TO BE COMPLETED BY THE COMMERCIAL BANK

5. EVALUATION OF THE END USER AND THE INVESTMENT

Availability period (the last day of a month, maximum one year as of the loan approval)

12 months

Repayment period (the total number of years of the repayment, including the grace period)

10 years

Grace period (number of years)

1 year

Method of repayment:

36 quarterly
installments

Opinion on the end user and the project:

The Bank gave its positive opinion on the loan's end user Ecocortec d.o.o., even though it is a start-up company, but it has taken into account its direct relationship with the foreign company Cortec Corporation, MN, USA, which is the leading producer of anticorrosive products with many years of experience in business and much expertise. The business strategy of Cortec Corporation includes construction of a new plant in Croatia, in which the existing KNOW-HOW and an already established distribution network of Cortec & Co. will be used, through which the sale for the entire European market will be directed. The company shall in the same way greatly benefit from doing business in the business area (the future customs-free zone), which will definitely influence lower production costs. The loan was secured by the mortgage on the land in Beli Manastir on which the plant is being constructed, corporate guarantee of Cortec & Co. in

the amount of the respective loan and with the validity period of the investment loan + 30 days and transfer of the ownership over the production line.

6. FORESEEN COLLATERALS (from the end user)

Promissory notes (<i>pieces, amount</i>):	1 promissory note by Ecocortec d.o.o. in the amount of EUR 3,000,000
Bills of exchange (<i>pieces</i>):	6 bills of exchange of the company Ecocortec d.o.o.
Assets (<i>estimated amount</i>):	Commercial building Cadastral Plot 3050/1, Cadastral Municipality Beli Manastir, current estimated value: EUR 424,000 Subsequent transfer of ownership over the production line: EUR 1,200,000
Other:	Corporate guarantee of the company Cortec Corporation in the amount of the respective loan, with validity period equal to the loan term + 30 days

7. APPENDICES TO THE LOAN APPLICATION TO BE SUBMITTED TO THE BANK: (Mark collected documentation with an "X")

- ☒ Investment project or business plan
- ☐ Technical documentation with applicable permits (location and building permit) and approvals;
- ☐ Cost list
- ☒ The list of the signatures deposited for disposal of the funds on the account (not older than 30 days)
- ☒ Excerpt from the court register (not older than 30 days)
- ☐ Agreement on incorporation (in case there are more founders)
- ☒ Notice on classification of the subject according to the NKD ("National Industry Classification")
- ☒ Data on credit worthiness (BON 1 form) and data on solvency (BON 2 / SOL 2 form), not older than 30 days
- ☒ Balance sheet (for medium and small entrepreneurs) – B/POD-V form and Profit and Loss Account (for medium and small entrepreneurs) – RDO/POD V form or Annual Financial Report for large, medium-large and small entrepreneurs – GFI/POD form (for the last two years), - for the guarantor CORTEC CORPORATION
- ☐ Specification of the necessary working capital investment (if they are listed in the application)
- ☒ Data on collaterals (in case of a mortgage on real estate, the real estate appraisal prepared by the certified court expert should be submitted together with a photo of the object not older than 2 years and land register excerpt not older than 30 days).
- ☐ Other documentation: (state the documentation submitted)

**8. APPENDICES TO THE LOAN APPLICATION THAT THE COMMERCIAL BANK
MANDATORILY SUBMITS TO HBOR: (mark the submitted documentation with an "X")**

- X** Balance sheet (for medium and large entrepreneurs) – B/POD-V form and Profit and Loss Account
(for medium and large entrepreneurs) – RDO/POD-V form or Annual Financial Report for large,
medium-large and small entrepreneurs – GFI-POD form (for the last two years), - for the
guarantor CORTEC CORPORATION

**We hereby confirm to have checked all the abovementioned data and to have established
that it is true.**

*(***Note of the translator:
stamped with the stamp: ERSTE
& STEIERMÄRKISCHE BANK
d.d. 031; RIJEKA; 251, ***)*

*(***Note of the translator: signature
illegible***)*

OSIJEK, March 3, 2006

Place and date

Stamp of the commercial bank

Person responsible (name and surname)